

EXECUTIVE OFFICER SUMMARY REPORT
August 11, 2006

ITEM: 9

SUBJECT: **Executive Session – Real Property Negotiation and Request for Prop 40 Funds. Property APN# 43735005 & 43735006; Larry Sherman Property Negotiator**

The Governing Board will adjourn into closed session to provide direction to the Executive Officer and may consider adoption of Tentative Resolution 06-05. This potential acquisition is included in the Conservancy's adopted Five Year Strategic and Infrastructure Plan (Program 1, Project 1.5). Authority: Government Code Section 11126 (c) (7).

PURPOSE: Provide direction to the Executive Officer regarding the potential acquisition.

DISCUSSION: *Since placing this item on the Agenda, the key circumstances requiring immediate Governing Board action have changed significantly. For that reason, I recommend postponing Board action on this item.*

Nevertheless it is important to make the Governing Board aware that I am currently in negotiations with the land owner of this important property. This property was one of the six original highest priority acquisition projects for the Conservancy identified within City of San Diego's jurisdiction. In July 2004 and again in September 2004, City staff presented the Board with an overview of each of its six highest priority acquisition projects. The Board informally approved these projects and directed me and City staff to advance and secure any one or all of these properties as soon as possible. It was the intention of the Governing Board at that time, that one or more of these properties would be purchased with the remaining \$5 million balance of the original Prop 40 funds (in the Resource Agency budget earmarked for the San Diego River). Two of the original six properties were subsequently sold. The remaining properties are still "theoretically available", but have either not been proceeding at all or have been doing so at glacial speeds. In other words, we continue to lack willing sellers for these important City of San Diego properties.

The subject property of this Agenda item, which is located in the heart of Mission Valley, was sold shortly after the Board's second presentation. I am happy to report that it has recently become available to the Conservancy. I believe that the property remains a high priority acquisition for the Conservancy for a multitude of important reasons.

As mentioned above, the need for emergency Board action has ceased to exist. Accordingly I will continue to advance the project at a more measured rate through judicial negotiations with the property owner in order to address each of numerous complex issues surrounding the acquisition.

Although the closed session action anticipated by this Board is no longer required, the Board may nevertheless wish to adjourn into closed session for a briefing on the acquisition and to provide me guidance for upcoming negotiations.

LEGAL CONCERNS: None at this time.

FISCAL IMPACT: None at this time.

SUPPORTING

DOCUMENTS: 1. Tentative Resolution 06-05 (POSTPONED)

RECOMMENDATION: Provide direction to the Executive Officer regarding potential acquisition.